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TITLE 872 INDIANA BOARD OF ACCOUNTANCY

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Emergency Rule  
LSA Document #14-476(E)

## DIGEST

Amends [872 IAC 1-2-1](#) to update the edition of the AICPA Professional Standards from the June 1, 2011, edition to the June 1, 2014, edition. Effective December 15, 2014.

**[872 IAC 1-2-1](#)**

SECTION 1. [872 IAC 1-2-1](#) IS AMENDED TO READ AS FOLLOWS:

**[872 IAC 1-2-1](#) Rules of professional conduct; applicability**

**Authority:** [IC 25-2.1-2-15](#); [IC 25-2.1-2-16](#)

**Affected:** [IC 4-22-2](#); [IC 23-1.5](#); [IC 25-1-11-12](#); [IC 25-2.1](#)

Sec. 1. (a) In the interpretation and enforcement of this rule, the board will give consideration, but not necessarily dispositive weight, to relevant interpretations, rulings, and opinions issued by the following:

- (1) Boards of other jurisdictions.
- (2) Appropriately authorized committees on ethics of professional organizations.

(b) No licensee of the board shall violate the following standards for the competent practice of accounting appropriate to establish and maintain a high standard of integrity and dignity in the profession of public accountancy, which are incorporated by reference as if fully set out in this rule:

- (1) The following pronouncements on professional standards set forth in the AICPA Professional Standards, Volumes 1 and 2 (~~June 1, 2011~~), **(June 1, 2014)**, subject to the exceptions listed in subsection (c) (applicable to certified public accountants and certified public accountant firms only):

(A) U.S. Auditing - AICPA including the following:

- ~~(i) Statement on Auditing Standards—Introduction.~~
- ~~(ii) The General Standards.~~
- ~~(iii) The Standards of Field Work.~~
- ~~(iv) The First, Second, and Third Standards of Reporting.~~
- ~~(v) The Fourth Standard of Reporting.~~
- ~~(vi) Other Types of Reports.~~
- ~~(vii) Special Topics.~~
- ~~(viii) Compliance Auditing.~~
- ~~(ix) Special Reports of the Committee on Auditing Procedure.~~

**[AICPA] [AU-C].**

- (B) Statements on Standards for Attestation Engagements.
- (C) Statements on Standards for Accounting and Review Services.
- (D) Code of Professional Conduct-**Revised**.
- (E) Statements on Standards for Valuation Services.
- (F) Statement on Standards for Consulting Services.
- (G) **Statements on Standards for Tax Services.**
- (H) **Statement of Standards in Personal Financial Planning Services.**
- (2) Professional corporation act at [IC 23-1.5](#).
- (3) National Society of Accountants (NSA) Rules of Professional Conduct and Official Interpretations, June 2003, excluding the interpretations and Rule 9 (professional referrals) (applicable to accounting practitioners and public accountants and accounting practitioner and public accountant firms only).

(c) As incorporated by reference in subsection (b)(1), the AICPA professional standards are amended to read as follows:

- (1) ~~ET-50 Principles of Professional Conduct-Revised Sections 54 0-100 through 57) is 0-200-050 are~~ deleted.
- ~~(2) The third paragraph of Rule 505 (Form of Organization and Name) is deleted.~~
- ~~(3) (2)~~ The phrase "standards promulgated by bodies designated by Council", **"resolutions of the Council"**, or any similar reference, shall mean the standards incorporated by reference in subsection (b)(1).

(d) Except for the Statements of Standards for Attestation Engagements and the Statement on Standards for

Accounting and Review Services, which are addressed by AT section 20.04 and AR section ~~20.04~~, **60.11**, respectively, notwithstanding the use of the word "should" in the AICPA pronouncements incorporated by reference in subsection (b)(1)(A) through (b)(1)(H), a certified public accountant must:

- (1) comply with the pronouncements; or
- (2) justify any departures therefrom and document how the alternative procedures performed in those circumstances were sufficient to achieve the objectives of the pronouncements.

(e) It shall be deemed incompetent practice contrary to high standards of integrity and dignity in the profession of certified public accountancy for a licensee of the board to be found by a court of competent jurisdiction to have engaged in accounting practices falling below professional standards in Indiana.

(f) As used in this rule, "member", as used in the:

- (1) AICPA Professional Standards; and
- (2) NSA Rules of Professional Conduct and Official Interpretations;

means licensee. **This rule applies to licensees regardless of whether a licensee is or is not a member of the organizations whose standards or rules are incorporated by reference in this rule.**

(g) Where matters incorporated by reference in this section conflict with express provisions of:

- (1) [IC 25-2.1](#) (accountancy act);
- (2) [IC 23-1.5](#) (professional corporation act); or
- (3) rules adopted by the board;

the express provisions control.

(h) No subsequent editions, amendments, supplements, or releases of the:

- (1) NSA Rules of Professional Standards; or
- (2) NSA Rules of Professional Conduct;

will be in effect in Indiana or adopted by the board, except by following the rulemaking provisions of [IC 4-22-2](#).

(i) The standards incorporated by reference in subsection (b) apply to conduct that occurs after ~~May 20, 2012~~. **December 14, 2014**. This subsection shall not be construed to extinguish the board's authority to impose any sanction under [IC 25-1-11-12](#) for conduct that occurred before ~~May 21, 2012~~. **December 15, 2014**, in violation of a previous version of this section.

(j) A copy of the AICPA Professional Standards and the NSA Rules of Professional Conduct are available for public inspection at the offices of the Indiana Professional Licensing Agency, 402 West Washington Street, Room W072, Indianapolis, Indiana 46204. Copies of the AICPA Professional Standards are available from the entity originally issuing the document, the American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, New York 10036-8775. Copies of the NSA Rules of Professional Conduct are also available from the entity originally issuing the document, the National Society of Accountants, 1010 North Fairfax Street, Alexandria, Virginia 22314. (*Indiana Board of Accountancy; Rule 69-1, 39; filed Jun 30, 1978, 9:54 a.m.: 1 IR 402; filed Aug 18, 1983, 3:20 p.m.: 6 IR 1932; filed May 1, 1984, 12:50 p.m.: 7 IR 1544; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1040; filed Aug 28, 1986, 3:20 p.m.: 10 IR 68; filed Dec 11, 1992, 5:00 p.m.: 16 IR 1399; filed Feb 24, 1997, 4:00 p.m.: 20 IR 1736; filed Dec 18, 2000, 9:27 a.m.: 24 IR 1353, eff Feb 1, 2001; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Nov 18, 2005, 9:40 a.m.: 29 IR 1214, eff Jan 1, 2006; filed Oct 3, 2006, 12:00 p.m.: [20061101-IR-872060065FRA](#), eff Jan 1, 2007; filed Jul 31, 2009, 8:45 a.m.: [20090826-IR-872090151FRA](#), eff Sep 1, 2009; emergency rule filed May 21, 2012, 4:06 p.m.: [20120523-IR-872120272ERA](#); emergency rule filed Dec 5, 2014, 10:58 a.m.: [20141217-IR-872140476ERA](#), eff Dec 15, 2014)*)

SECTION 2. SECTION 1 of this document takes effect December 15, 2014.

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Documents Incorporated by Reference: AICPA Professional Standards, Volumes 1 and 2 (June 1, 2014)

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